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AN ACT

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RELATING TO INSURANCE; AMENDING THE NEW MEXICO INSURANCE CODE TO CHANGE CERTAIN LICENSE FEES AND TO PROVIDE FOR NOTICE OF CHANGE OF ADDRESS; PERMITTING SURCHARGE PROCEEDS TO BE APPROPRIATED FOR CERTAIN ACTIVITIES; PROVIDING PENALTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 59A-6-1 NMSA 1978 (being Laws 1984, Chapter 127, Section 101, as amended) is amended to read:

"59A-6-1. FEE SCHEDULE.--The superintendent shall collect the following fees:

A. insurer's certificate of authority -

(1) filing application for certificate of authority, and issuance of certificate of authority, if issued, including filing of all charter documents, financial statements, service of process, power of attorney, examination reports and other documents included with and part of the application.....\$1,000.00

(2) annual continuation of certificate of authority, per kind of insurance, each year continued .....200.00

(3) reinstatement of certificate of authority (Section 59A-5-23 NMSA 1978)..... 150.00

(4) amendment to certificate of authority.....200.00

B. charter documents - filing amendment to any charter document (as defined in Section 59A-5-3 NMSA 1978)..... 10.00

C. annual statement of insurer, filing .....200.00

D. service of process, acceptance by superintendent and issuance of

1	certificate of service, where issued.....	10.00	S
			B
2	E. agents' licenses and appointments -		
3	(1) filing application for original agent license and issuance of		1
4	license, if issued .....	30.00	8
5	(2) appointment of agent -		1
6	(a) filing appointment, per kind of insurance, each		P
7	insurer .....	20.00	a
8	(b) continuation of appointment, each insurer, each		g
9	year continued.....	20.00	e
10	(3) variable annuity agent's license -		2
11	(a) filing application for license and issuance of license,		
12	if issued .....	30.00	
13	(b) continuation of appointment each year .....	20.00	
14	(4) temporary license as to life and health insurance or both	30.00	
15	(a) as to property insurance .....	30.00	
16	(b) as to casualty/surety		
17	insurance.....	30.00	
18	(c) as to vehicle insurance.....	30.00	
19	F. solicitor license -		
20	(1) filing application for original license and issuance of		
21	license, if issued .....	30.00	
22	(2) continuation of appointment, per kind of insurance, each		
23	year .....	20.00	
24	G. broker license -		
25	(1) filing application for license and issuance of original		
	license, if issued .....	30.00	
	(2) annual continuation of		
	license .....	30.00	
	H. insurance vending machine license -		

1	(1) filing application for original license and issuance of	S
2	license, if issued, each machine.....	B
3	(2) annual continuation of license, each	1
4	machine .....	8
5	I. examination for license, application for examination conducted	P
6	directly by superintendent, each grouping of kinds of insurance to be covered by the	a
7	examination as provided by the superintendent's rules, and payable as to each	g
8	instance of examination.....	e
9	J. surplus line insurer - filing application for qualification as eligible	3
10	surplus lines insurer.....	
11	K. surplus line broker license -	
12	(1) filing application for original license and issuance of	
13	license, if issued.....	
14	(2) annual continuation of	
15	license.....	
16	L. adjuster license -	
17	(1) filing application for original license and issuance of	
18	license, if issued.....	
19	(2) annual continuation of	
20	license.....	
21	M. rating organization or rating advisory organization license -	
22	(1) filing application for license and issuance of license, if	
23	issued .....	
24	(2) annual continuation of	
25	license.....	
26	N. nonprofit health care plans -	
27	(1) filing application for preliminary permit and issuance of	
28	permit, if issued.....	
29	(2) certificate of authority, application, issuance, continuation,	

1	reinstatement, charter documents - same as for insurers		S
2	(3) annual statement, filing .....	200.00	B
3	(4) agents and solicitors -		1
4	(a) filing application for original license and issuance of		8
5	license, if issued .....	30.00	1
6	(b) examination for license conducted directly by		P
7	superintendent, each instance of		a
8	examination .....	50.00	g
9	(c) annual continuation of		e
10	appointment.....	20.00	4
11	O. prepaid dental plans -		
12	(1) certificate of authority, application, issuance, continuation,		
13	reinstatement, charter documents - same as for insurers		
14	(2) annual report, filing .....	200.00	
15	(3) agents and solicitors -		
16	(a) filing application for original license and issuance of		
17	license, if issued .....	30.00	
18	(b) examination for license conducted directly by		
19	superintendent, each instance of		
20	examination .....	50.00	
21	(c) continuation of license, each		
22	year .....	20.00	
23	P. prearranged funeral insurance - application for certificate of		
24	authority, issuance, continuation, reinstatement, charter documents, filing annual		
25	statement, licensing of sales representatives - same as for insurers		
	Q. premium finance companies -		
	(1) filing application for original license and issuance of		
	license, if issued .....	100.00	
	(2) annual renewal of license.....	100.00	



1	endorsement forms or amendment forms .....	30.00	S
2	(3) incidental forms and rates - forms filed for informational		B
3	purposes; riders, applications, endorsements and amendments filed individually; rate		1
4	service organization reference filings; rates filed for informational purposes.....	15.00	8
5	W. health maintenance organizations -		1
6	(1) filing an application for a certificate of authority .....	1,000.00	P
7	(2) annual continuation of certificate of authority, each year		a
8	continued.....	200.00	g
9	(3) filing each annual report . . . .	200.00	e
10	(4) filing an amendment to organizational documents requiring		6
11	approval .....	200.00	
12	(5) filing informational		
13	amendments.....	50.00	
14	(6) agents and solicitors -		
15	(a) filing application for original license and issuance of		
16	license, if issued .....	30.00	
17	(b) examination for license, each instance of		
18	examination .....	50.00	
19	(c) annual continuation of		
20	appointment .....	20.00	
21	X. purchasing groups and foreign risk retention groups -		
22	(1) original registration .....	500.00	
23	(2) annual continuation of		
24	registration .....	200.00	
25	(3) agent or broker fees same as for authorized insurers		
	Y. third party administrators -		
	(1) filing application for original individual insurance		
	administrator license.....	30.00	

1	(2) filing application for original officer, manager or partner		S
2	insurance administrator		B
3	license.....	30.00	1
4	(3) continuation or renewal of annual		8
5	license.....	30.00	1
6	(4) examination for license conducted directly by the		P
7	superintendent, each examination .....	75.00	a
8	(5) each request for a duplicate license or for each name		g
9	change.....	30.00	e
10	(6) filing of annual report.....	50.00.	7

10 An insurer shall be subject to additional fees or charges, termed retaliatory or  
11 reciprocal requirements, whenever form or rate-filing fees in excess of those imposed  
12 by state law are charged to insurers in New Mexico doing business in another state or  
13 whenever a condition precedent to the right to issue policies in another state is  
14 imposed by the laws of that state over and above the conditions imposed upon  
15 insurers by the laws of New Mexico; in those cases, the same form or rate-filing fees  
16 may be imposed upon an insurer from another state transacting or applying to  
17 transact business in New Mexico so long as the higher fees remain in force in the other  
18 state. If an insurer does not comply with the additional retaliatory or reciprocal  
19 requirement charges imposed under this subsection, the superintendent may refuse to  
20 grant or may withdraw approval of the tendered form or rate filing.

19 All fees are earned when paid and are not refundable."

20 Section 2. Section 59A-11-8 NMSA 1978 (being Laws 1984, Chapter 127,  
21 Section 187) is amended to read:

22 "59A-11-8. ISSUANCE, REFUSAL OF LICENSE.--If the superintendent finds  
23 that the application is complete, that the applicant has passed all required  
24 examinations and is otherwise qualified for the license applied for, the superintendent  
25 shall promptly issue the license. Otherwise, the superintendent shall refuse to issue  
the license and promptly notify the applicant and the appointing insurer, employer or

1 principal, where applicable, of the refusal and state the grounds for refusal."

2 Section 3. Section 59A-12-20 NMSA 1978 (being Laws 1984, Chapter 127,  
3 Section 221, as amended by Laws 1999, Chapter 272, Section 12 and also by Laws  
4 1999, Chapter 289, Section 13) is amended to read:

"59A-12-20. PLACE OF BUSINESS--DISPLAY OF LICENSE.--

5 A. A general lines agent shall have and maintain a place of business  
6 accessible to the public, where the licensee conducts transactions under the license.  
7 Nothing in this section shall prohibit maintenance of the place of business in the  
8 licensee's residence.

9 B. The licenses of the licensee and of solicitors employed by the  
10 licensee shall be conspicuously displayed in the place of business in a part  
11 customarily open to the public.

12 C. This section does not apply to life insurance, annuity contracts or  
13 health insurance."

14 Section 4. Section 59A-12-26 NMSA 1978 (being Laws 1984, Chapter 127,  
15 Section 227, as amended by Laws 1999, Chapter 272, Section 16 and also by Laws  
16 1999, Chapter 289, Section 17) is amended to read:

"59A-12-26. CONTINUED EDUCATION.--

17 A. For protection of the public and to preserve and improve  
18 competence of licensees, the superintendent may in his sole discretion require as a  
19 condition to continuation of license as agent, solicitor or broker under this article that  
20 during the twelve months next preceding expiration of the current license period the  
21 licensee has attended the minimum number of hours of formal class instruction,  
22 lectures or seminars required and approved by the superintendent covering the kinds  
23 of insurance for which licensed.

24 B. Instruction shall be designed to refresh the licensee's  
25 understanding of basic principles and coverages involved, recent and prospective  
changes, applicable laws and rules of the superintendent, proper conduct of the  
licensee's business and duties and responsibilities of the licensee.

1 C. The superintendent may permit licensees who because of  
2 remoteness of residence or business cannot with reasonable convenience attend  
3 formal instruction sessions and successfully complete an equivalent course of study  
4 and instruction by mail.

5 D. The superintendent shall promulgate rules for the purposes and  
6 requirements of this section and may impose a penalty not to exceed fifty dollars  
7 (\$50.00) for a licensee's failure to timely report continuing education credits.

8 E. For the purposes of this section, the superintendent shall charge, at  
9 the time of certifying each licensee's continuing education credits as a condition of  
10 continuation of license, a fee of one dollar (\$1.00) per credit hour of continuing  
11 education; provided that the superintendent may contract with an established and  
12 experienced independent agency to receive and review continuing education  
13 compliance reports and, in such a case, the fee shall be a reasonable amount fixed by  
14 the superintendent and payable to the contracting agency.

15 F. This section shall not apply to holders of limited license issued  
16 under Section 59A-12-18 NMSA 1978."

17 Section 5. A new section of the New Mexico Insurance Code, Section 59A-12-  
18 20.1 NMSA 1978, is enacted to read:

19 "CHANGE OF ADDRESS--NOTICE REQUIRED--PENALTY.--The address of  
20 the licensee's place of business shall appear on the application for the license and on  
21 the license. The licensee shall promptly notify the superintendent in writing of a  
22 change of address. Failure to notify the superintendent of a change of address within  
23 twenty days shall subject the licensee to a penalty of fifty dollars (\$50.00)."

24 Section 6. Section 59A-13-2 NMSA 1978 (being Laws 1984, Chapter 127,  
25 Section 230, as amended) is amended to read:

"59A-13-2. DEFINITIONS.--

A. For the purposes of the Insurance Code:

(1) "adjuster" is a person that:

(a) investigates, negotiates, settles or adjusts a loss or

1 claim arising under an insurance contract on behalf of an insurer, insured or self-  
2 insurer, for a fee, commission or other compensation; however, an adjuster acting on  
3 behalf of an insured shall not investigate, negotiate, settle or adjust a claim involving  
4 personal injury to the insured; and

5 (b) advises the insured of his rights to settlement and  
6 his rights to settle, arbitrate and litigate the dispute;

7 (2) "staff adjuster" is an adjuster individual who is a salaried  
8 employee of an insurer, representing and adjusting claims solely under policies of the  
9 employer insurer; and

10 (3) "independent adjuster" is an adjuster who is not a staff  
11 adjuster and includes a representative and an employee of an independent adjuster.

12 B. Except as otherwise provided, "adjuster" does not include:

13 (1) an attorney-at-law who adjusts insurance losses or claims  
14 from time to time incidental to practice of law and who does not advertise or represent  
15 as an adjuster;

16 (2) a licensed agent or general agent of an authorized insurer  
17 or an employee of an agent or general agent who adjusts claims or losses under  
18 specific authority from the insurer and solely under policies issued by the insurer;

19 (3) an agent or employee of a life or health insurer who adjusts  
20 claims or losses under the insurer's policies or contracts to administer policies or  
21 benefits of that type; or

22 (4) a salaried or part-time claims agent or investigator  
23 employed by a self-insured person."

24 Section 7. Section 59A-13-9 NMSA 1978 (being Laws 1984, Chapter 127,  
25 Section 237) is amended to read:

"59A-13-9. PLACE OF BUSINESS.--A licensed adjuster shall have and  
maintain a principal place of business in the state that is easily accessible to the public  
and is the place where the adjuster principally conducts transactions under the  
license. The address of the principal place of business shall appear on the application

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1 for license and on the license. The licensee shall promptly notify the superintendent  
2 of a change of address of the principal place of business. Failure to notify the  
3 superintendent of a change of address within twenty days shall subject the licensee to  
4 a penalty in the amount of fifty dollars (\$50.00)."

5 Section 8. Laws 1996, Chapter 6, Section 3 is amended to read:

6 "NEW MEXICO FINANCE AUTHORITY REVENUE BONDS--PURPOSE--  
7 APPROPRIATION.--

8 A. The New Mexico finance authority may issue and sell revenue  
9 bonds in compliance with the New Mexico Finance Authority Act in installments or at  
10 one time in an amount not exceeding one million dollars (\$1,000,000) for the purpose  
11 of financing information and communication equipment, including computer hardware  
12 and software, for the insurance division of the public regulation commission.

13 B. The New Mexico finance authority may issue and sell revenue  
14 bonds authorized by this section when the superintendent of insurance certifies the  
15 need to issue the bonds. The net proceeds from the sale of the bonds are  
16 appropriated to the insurance division for the purposes described in Subsection A of  
17 this section.

18 C. The proceeds from the surcharge imposed pursuant to Section  
19 59A-6-1.1 NMSA 1978 shall be distributed monthly to the New Mexico finance authority  
20 to be pledged irrevocably for the payment of the principal, interest and any other  
21 expenses or obligations related to the bonds.

22 D. The surcharge proceeds distributed to the New Mexico finance  
23 authority shall be deposited in a separate fund or account of the authority. At the end  
24 of each fiscal year, any money remaining in the separate fund or account from  
25 distributions made to the authority during that fiscal year, after all principal, interest  
and any other expenses or obligations related to the bonds in that fiscal year are fully  
paid, may be appropriated by the legislature to the insurance division for acquisition,  
maintenance and operation of information and communication equipment, including  
computer hardware, software, systems planning, deployment and training. Upon

1 payment of all principal, interest and any other expenses or obligations related to the  
2 bonds, the authority shall certify to the insurance division that all obligations for the  
3 bonds issued pursuant to this section have been fully discharged and direct the  
4 division to cease distributing money pursuant to Section 59A-6-1.1 NMSA 1978 to the  
5 authority.

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6 E. Any law authorizing the imposition or distribution of the surcharge or  
7 that affects the surcharge shall not be amended, repealed or otherwise directly or  
8 indirectly modified to impair any outstanding revenue bonds that may be secured by a  
9 pledge of the surcharge collections, unless the revenue bonds have been discharged  
10 in full or provisions have been made for a full discharge."

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